

CHESHIRE FIRE AUTHORITY

MEETING OF: CHESHIRE FIRE AUTHORITY
DATE: 8 DECEMBER 2021
REPORT OF: HEAD OF PROCUREMENT AND CONTRACTS
AUTHOR: ANITA GIBBS

SUBJECT: ETHICAL PROCUREMENT STRATEGY AND
SOCIAL VALUE POLICY

Purpose of Report

1. To allow Members to consider the adoption of an;

Ethical Procurement Strategy; and
Social Value Policy.

Recommended: That the

- [1] Ethical Procurement Strategy be approved;
- [2] Social Value Policy be approved (to be applied for procurements with a value greater than £50,000).

Background

2. The Public Services (Social Value) Act 2012 requires the commissioners of public services to consider how they can secure wider social, economic, and environmental benefits.
3. In September 2020 a Procurement Policy Note heralded the launch of a Social Value Model by the Government to be applied to its procurement activity from 2021. The Model means that social value takes on greater significance in decisions about contract award. A minimum weighting of 10% of the total score is expected to be sufficiently large to be a differentiating factor in contract awards.

Information

4. In light of recent developments, this paper recommends that the Fire Authority adopts an Ethical Procurement Strategy, which is attached to this report as **Appendix 1** together with a Social Value Policy, which is attached to this report as **Appendix 2**.
5. The requirements of the Social Value Policy are intended to be applied to all contracts with a value of £50,000, or more.

6. Bluelight Commercial, which is the national procurement arm of the Police has recently implemented a Social Value Tool which can be used to assist with the monitoring of ethical procurement and social value. This Tool is available to Cheshire Fire and Rescue Service free of charge.
7. Suppliers will be able to use the Tool to generate a Social Value Action Plan free of charge for their businesses. This will assist them to explore their impacts and identify practical ways in which they can make a positive contribution to the Cheshire community.
8. Cheshire Fire and Rescue Service will be able to use information generated by suppliers engaging with the Tool. This will help existing and potential suppliers, in to embed social value into their procurement processes and demonstrate a response to the Social Value Act.
9. The Tool does not act as a calculator that converts supplier social value activity into a financial 'value'. Instead it (a) provides a portal for all suppliers to consider their social value impacts; (b) captures data relating to the social value impacts, decisions and commitments of suppliers, allowing evidence-based supplier engagement; (c) demonstrates to internal customers and stakeholders how the environmental, social and economic priorities of the institution are being communicated through the value chain in a way that stimulates action; (d) gathers evidence and stories for communicating the positive impact of procurement and the supply chain whilst demonstrating social value.

Financial Implications

8. There is the possibility that suppliers' could include the cost of social value in their final pricing. However, the requirement for suppliers to offer social value for all advertised tenders will shortly become a mandatory requirement under the Public Procurement Regulations.

Legal Implications

9. The Ethical Procurement Strategy directly relates to legislation on Modern Slavery. As mentioned at (3) the requirement for suppliers to offer social value will shortly become a mandatory requirement under the Public Procurement Regulations.

Equality and Diversity Implications

10. An Equality and Diversity Impact Assessment has been completed and is attached to this report as **Appendix 3**.

Environmental Implications

11. Use of the Social Value Policy will have a positive impact on the environment.

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